

Corporate Crocodile Tears? On the Reactive Attitudes of Corporate Agents

GUNNAR BJÖRNSSON

Umeå University, University of Gothenburg

KENDY HESS

College of the Holy Cross

1. Introduction

There is a growing literature arguing that certain entities embodied by groups of agents—certain “collectives”—themselves qualify as agents; even, some say, as *moral* agents.¹ These are ambitious claims. To be *agents*, such entities must be capable of acting on the basis of their own beliefs, desires, and intentions. To be *moral* agents, subject to moral obligations and accountable for their actions, they should presumably also be capable of acting freely in some relevant sense, and of recognizing and acting on moral considerations, including the respect owed to others. In addition to this, it might seem that to be *fully fledged* moral agents—fitting targets of a wide range of moral assessments and reactions—they must be capable of certain reactive attitudes, in particular those of guilt and indignation.² Such agents must be able to *understand* when they have done wrong, and that they are accountable for their actions. At least in non-parasitic cases, this

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¹ The collective agency literatures are beginning to distinguish between theories of “collective” agency—which focus on the intentional states of the members to ground claims about the collective—and theories of “corporate” agency, which do not. Both are “collective” in dealing with the intentionality, agency, obligation, and responsibility of groups, but they are distinct. Regarding collective agency generally, see for example Björnsson (2011), (2014); Gilbert (1989), (2000); Isaacs (2011); Miller (2001); Werhane (1985). Regarding more “corporate” approaches generally, see for example French (1979), (1984); Copp (1979), (1984), (2007); Goodpaster (1983); Pettit (2010).

² We take no position on the question of whether the combination of free action and an appropriate capacity for reactive attitudes is sufficient for full agency or moral agency, or whether, as other philosophers have suggested, particular forms of understanding, perception, and caring are also required. We will however suggest that to the extent that such further capacities are necessary, they can be accommodated using the strategy employed below with respect to free will and reactive attitudes.

arguably involves not only grasping that guilt would be a fitting attitude on their part, and indignation a fitting attitude on the part of others, but also a capacity for guilt and indignation.³ Relatedly, one might think that fully morally accountable agents must be capable of *holding themselves* responsible, which might seem to essentially involve the ability to feel guilty about what one has done.⁴

While there has been much debate over the possibility that collectives are capable of relevant beliefs and desires, and some about whether they can be appropriately free and responsible,⁵ there has been little discussion of the possibility that collectives are capable of reactive attitudes. Partly, this might be because the idea that fully fledged moral agency requires a capacity for reactive attitudes is comparatively controversial. But the idea has become widely enough endorsed to raise questions about its consequences for collective moral agency and responsibility.

These questions are particularly pressing as the idea seems to straightforwardly rule out fully fledged collective moral agency. For it might seem thoroughly implausible that collectives can feel guilt and in that sense hold themselves responsible, or have the corresponding practical understanding of the demands of morality that we expect from human agents.⁶ It is of course obvious that the members of a collective can possess reactive attitudes, and that in many cases their reactive attitudes derive from their membership in the collective. Members are often ashamed, proud, or indignant about things their collective has done, or about things that have been done to it, regardless of their own participation or lack thereof in the event.⁷ Similarly, members might jointly intend or be jointly committed to feel remorse, or to express regret on the part of the collective.⁸ But our concern is different. If a collective is to qualify as an agent in its own right, it must have *its own* beliefs, desires, intentions, and free actions; it is not enough that its members are capable of such states and activities. Just so, if a collective is to qualify as a fully fledged moral agent in its own right, and if fully fledged moral agency requires the capacity for reactive attitudes, that collective must be capable of *its own* reactive attitudes. It must itself be capable of guilt and indignation.

We argue below that, contrary to what one might think, at least certain collectives are. Or, more precisely, we argue that *if* certain collectives are capable of agency, then they are also capable of *states sufficiently similar to guilt and indignation to satisfy the requirements of moral agency*. Their expressions of indignation need not be mere strategic

³ See e.g. Strawson (1962); Gibbard (1990); Fischer and Ravizza (1998); Russell (2004); Darwall (2006: ch. 4); Gibbard (2006); Kauppinen (2010); Haji (2010); Björnsson and McPherson (2014). For critical discussion of the connection between moral responsibility and reactive attitudes, see e.g. contributions to McKenna and Russell (2008); Scanlon (2008); Nelkin (2011); Pereboom (2014).

⁴ See e.g. Stephen Darwall's (2006: 112) claim, which he attributes to Pufendorf: "in holding people responsible, we are committed to the assumption that they can hold themselves responsible by self-addressed demands from a perspective that we and they share".

Notice that even if one thinks that there are forms of blame that do not require that the agent be capable of guilt (the emotion) in response to transgressions, one might think that that this is required for subjects of *punishment*. (For a broadly Strawsonian approach to punishment, see Bennett 2008.)

⁵ For arguments against corporate or collective free will specifically, see Haji (2006); McKenna (2006). For a defense, see Hess (2014a).

⁶ For some of many expressions of doubt about this capacity, see Haney (2004); McKenna (2006: 26–27); Tollefsen (2008).

⁷ See e.g. Gilbert (2006); Silver (2006); Tollefsen (2008).

⁸ See Gilbert (2000: 135); Tollefsen (2003: 231–232).

aggression, and their expressions of guilt and sorrow for what they have done need not be mere crocodile tears.

The plan is as follows. In section 2, we explain why one might think that certain collectives—which we designate as “corporate agents”—can have their own equivalents of beliefs, desires, and intentions, distinct from the beliefs, desires, and intentions of their members, and how they might be capable of moral cognition, motivation, and free action on the basis of those intentional states.⁹ Our purpose here is not to convince the skeptical reader that these corporate agents—typified by the modern corporation—have these capacities; various people have argued at length for this conclusion elsewhere. Rather, we aim to outline *the sort* of argumentative strategy that we find most promising, as we will argue along very similar lines that corporate agents are also capable of equivalents of reactive attitudes. The strategy, in brief, is to (i) describe beliefs, desires and capacities for agential control and free action in functionalist terms, (ii) argue that it is such functional states that are required for rational agency, and (iii) show that structures with the corresponding functions can be instantiated in entities like corporations. We then apply this strategy to the role of guilt and indignation in moral agency. In section 3 we identify the features associated with such attitudes that seem crucial to fully fledged moral agency, and in section 4 we argue that actual corporations could instantiate structures with such features. Given this, and assuming that the argumentative strategy outlined in section 2 is successful, fully fledged moral agency is within the ken of corporations even if such agency requires the capacity for equivalents of reactive attitudes.¹⁰ In section 5, finally, we indicate some further consequences of this conclusion. We acknowledge that some readers might take this as a *reductio* of a functionalist understanding of moral agency; this in itself has significant implications. For others, however, it raises urgent questions about how moral norms would apply to corporate agents or apply to interactions with such agents, and about the implications for laws governing or protecting them.

2. Corporate agency, cognition, motivation, and free will

Begin with some seemingly mundane claims about the contemporary world. Corporations typically adopt positions and goals, and they develop plans by which they pursue those goals in ways consistent with those positions. They often adjust those plans in the face of new information or poor performance, and even abandon old positions and goals and adopt new ones. Most of all, they are sufficiently disciplined that the behavior of the individual members consistently yields corporate actions in line with those corporate

⁹ There is some debate about the precise relationship between beliefs, desires, and intentions. While we are inclined to follow Bratman (1987) in recognizing intentions as distinct from beliefs and desires, perhaps as “controlling pro-attitudes” (1987: 20), we take no position on how they are related to other intentional states.

¹⁰ Notice that the claim here is doubly conditional. We claim that if a certain argumentative strategy shows that some corporations are capable of equivalents of belief and desire, then it also shows them to be capable of equivalents of guilt and indignation. But since our claim is about actual corporations, this conditional is in turn based on empirical assumptions about how some actual corporations function. Though we cannot defend these assumptions here, we take them to be well confirmed, for example by cases like those described in Goodpaster (2007: especially chs. 6 and 7 “Institutionalizing Corporate Conscience” and “Sustaining Corporate Conscience”).

plans, positions, and goals *regardless* of whether individual members share them, or are even aware of them. By various means, corporations can and do adopt goals and plans that do not align with—or that conflict with—the preferences of their members, and they establish mechanisms which ensure that the members implement those plans in pursuit of those goals regardless of member indifference or contrary preferences.¹¹ It is this latter feature, the regular possibility of a stark discontinuity between member commitments and corporate commitments, that most distinguishes corporations from other less disciplined collectives. It is also a feature shared by a variety of entities that are neither legally incorporated nor involved in business: colleges and universities, governments, branches of the military, NGOs, and religious orders. Taking the modern corporation as paradigmatic of this type, we call these entities “corporate agents”.¹² For simplicity, we will also speak of corporate agents as “collectives” with “members” who perform actions constituting the behavior of the corporate agent. However, one might accept our main argument while thinking that corporate agents are more or other than just a group of people organized in a certain way.¹³

We hasten to add that it is not necessary that there be any such stark discontinuity. Member commitments (at every level) will often align with the commitments of the corporate agent to which they belong, because members internalize corporate commitments and because corporations hire people whose commitments roughly match the corporation’s. We nonetheless focus on situations where the two conflict because that alignment often creates the illusion of identity: when corporate commitments “match” member commitments—when the corporate agent and the members *both* believe that *x* or desire that *y*—it is harder to see that these remain numerically distinct intentional states, and that the relationship(s) among them can be highly complex. As revealed by the examples discussed here (and in Section 4 below), corporate commitments are distinct from member commitments, and this remains true regardless of whether they conflict or cohere.

¹¹ This is not to suggest that member commitments (beliefs, desires, intentions) are not *causally* relevant to member actions, and thus (indirectly) to corporate actions. Each individual member has her own beliefs, desires, and intentions, and she acts the way she does because of the beliefs, desires, and intentions that she has. Members are agents, too. But as a member of a corporate agent, she has chosen—explicitly and consciously, or not—to let corporate commitments shape her actions, to subordinate her work behavior to corporate imperatives even when they express commitments she personally rejects. As a result of this familiar practice, we cannot move from the fact that “Acme wants X” to the claim that “therefore, Acme’s members want X”, or even “some of Acme’s members want X” without further empirical evidence.

¹² Unfortunately there is no agreement in the literature regarding the designation of qualifying collectives—each of the authors listed in note 1 above has his or her own terminology, for example.

¹³ We disagree among ourselves about how best to think about the relation between a corporate agent and its “members”. Our argument is meant to be compatible with the best account of corporate agents, whatever that turns out to be. What we are trying to show is that *if* there can be corporate agents with their own equivalents of beliefs and desires, *then* there can be corporate agents satisfying the conditions of fully fledged moral agency related to reactive attitudes. As far as we can tell, the consequent of this conditional is no more metaphysically demanding than the antecedent.

Our discussion of corporate agents also leaves open questions about the relation between *corporate agents* and *corporations*. Though we will speak of corporations as agents, one can see the two as strictly speaking distinct, perhaps taking the corporations to be legal constructions facilitating the existence of corporate agents. (For one recent discussion of the metaphysics of corporations, see Cole 2014).

For a working example of a corporate agent, take the hypothetical Acme, a small (ish) manufacturer of industrial chemicals. Acme is committed to various positions (“producing industrial chemicals is profitable”: “developing new products is a good way to increase profit”) and goals (“be profitable”; “be environmentally responsible”), and Acme’s plans to achieve its goals are shaped by its positions. Thus, Acme has just adopted a plan to develop a new product line, because the new product line is expected to be profitable, and Acme will pursue the new line in an environmentally responsible manner. If the environmentally responsible version of the new product line turns out to be wildly expensive, we would not be surprised if Acme modified the plan to weaken or qualify its environmental commitment; if the environmentally responsible version turned out to be wildly popular, generating good will and increased sales, we would not be surprised if Acme started publicizing it and giving it a more central role. In short, Acme will generally act in an instrumentally rational manner, resolve conflicts among its commitments, and tend to give more weight to commitments that cohere with and support Acme’s other commitments, much as we expect of a human agent. It is the consistent rationality of such corporate behavior that leads us to speak (at least casually) of corporate agents *as* agents—as entities whose actions are shaped in rational and predictable ways by their commitments about how the world is, what goals to pursue, and how to act—commitments about fact, value, and norms, we might say.

While we described this familiar state of affairs in terms of *Acme’s* commitments, it’s obvious that Acme’s members have played essential roles in the processes described, and it is possible to give a different description that explicitly acknowledges the contributions of the individual members. We will talk more about member contributions in the remainder of the article. For now, however, it’s important to note that whatever the member-level description might look like, it is not necessarily the case that we can simply substitute “Acme’s members” for each mention of Acme. The proposition, “Acme has the goal of being profitable and environmentally responsible” is not identical to the proposition, “Acme’s *members* have the goal of being profitable or environmentally responsible”; the propositions have different intensions *and* extensions. It is possible—even familiar—for a corporate agent like a corporation, a university, or a government to adopt positions and goals that its members neither affirm nor adopt for themselves. Most of us have had the experience of conforming our membership-related behaviors to unwelcome policies; this is hardly rare. So even if certain claims about Acme will entail claims about Acme’s members, it will not be a simple one-to-one equivalency; the relationship is more complicated. Nevertheless, as long as Acme’s members perform the tasks entailed by these corporate positions and goals—for any reasons, or no reasons at all—Acme will work to develop the new product line, in an environmentally responsible way, in pursuit of profit, regardless of its members’ personal opinions about these matters.

This much should be generally familiar, and the empirical claims are uncontroversial. However, we think that three radical philosophical points follow from this generally familiar state of affairs—points about intentionality, agency, and ownership.

First, Acme’s positions, goals, and plans—its commitments about fact and value and how to act on them—are functionally equivalent to beliefs, desires, and intentions as far as rational

agency is concerned: “rationally equivalent”, we might say.¹⁴ They are commitments about the state of the world and about what matters in the world that are responsive to changes in the world, and they shape Acme’s behavior in logical, rational ways.

Second, these (and other) commitments of Acme’s form a rational, coherent profile. They do not blatantly contradict each other, or necessarily entail mutually impossible actions (though they may tend in different directions, they can be balanced against each other). In short, they form a logically integrated complex of commitments about fact and value that drive corporate action, what Carol Rovane (1998: 23) calls a “rational point of view” (RPV)—“the point of view from which [practical] deliberation proceeds”. Moreover, Acme’s RPV will involve a variety of positions concerning Acme’s own commitments, options, capacities and relations to various aspects of the world (including other agents)—positions that guide Acme’s actions and give it a recognizably first-personal perspective.¹⁵ When Acme acts on the basis of this set of commitments, then, Acme does not act randomly or arbitrarily (or at least, no more so than human agents). Instead, it acts in a rational, predictable fashion, pursuing identified goals on the basis of a coherent picture of the empirical situation. (Which, again, just means that when Acme’s members act on the basis of Acme’s RPV—when their behavior is shaped by it—the collective result is corporate actions that are not random and arbitrary but rational and predictable at the collective level.)

Third, these commitments are *Acme’s*. They are not the commitments of the members, of any level. It may be that Acme’s members personally agree with these commitments—that profit is essential, the environment matters, product development is likely to be profitable, etc.—or it may be that Acme’s members disagree. Most likely there is a messy, incoherent mass of overlapping agreement and disagreement among Acme’s many members, and many of them have likely never thought about these issues at all. Regardless, when Acme’s members act *as members*, they will act in ways that are reliably, collectively guided by these corporate commitments. When they do so, *Acme* acts.

It may seem implausible to claim that Acme’s commitments could deviate so sharply from the commitments of its members, so it is worth addressing that concern before moving on. Corporate commitments can arise in a number of different ways, all of which are likely to be in play in a corporate agent of any size. We describe one such process here

¹⁴ In introducing the phrase “rationally equivalent” (and the related “morally equivalent”, later), we do not intend to introduce a new standard for what counts as a belief, a desire, or an intention. The purpose is merely to allow us to talk about states necessary for rational agency while acknowledging the possibility that a “full blown” belief, desire, or intention may be a complex thing, some aspects of which may not be necessary for rational agency. The claim made in this section is merely that corporations can possess those aspects of beliefs, desires, and intentions that are necessary for rational agency.

We would argue that they literally qualify as beliefs, desires and intentions, on standard interpretationist, dispositionalist, and representationalist accounts, but this stronger claim isn’t necessary for our purposes here so we set it aside. See Hess (2014a) for a defense of this claim. Tollefsen (2008) and List and Pettit (2011: especially ch. 1), present similar arguments regarding interpretationism and dispositionalism, respectively: French (1984: especially chs. 3 and 4) relies (though less explicitly) on equivalent commitments.

¹⁵ See Hess (2011) for a development of this claim.

(the most broadly accepted one), then develop it and others in more detail in section four in our examples of a corporate agent developing its own reactive attitudes.¹⁶

The process we have in mind is fully explicit: the board votes, the majority wins, the new attitude is incorporated into the functioning of the institution, and the corporation (thus) adopts a new position. While the board members are obviously crucially involved in the process, the resulting position does not necessarily reflect the board members' own preferences for that position. Even in these cases, board members do not necessarily express their own preferences regarding the available options, nor are they supposed to. Instead they make their decisions from the point of view of the corporate agent.

Return to Acme's existing commitments to seeking profit, producing industrial chemicals, and being environmentally responsible. Reasoning from these commitments, Acme's board members could easily conclude (and vote) that Acme ought to develop a new product—perhaps steel additives. They could also conclude that this should be done in ways that are protective of the environment, but that Acme's commitments to profit and production are more central to Acme and take priority. In this way Acme develops a new commitment—in effect a desire or intention—to produce steel additives, preferably in an environmentally responsible way, and the work goes forward. None of this requires any personal inputs from the board members about the desirability or value of industrial chemicals, steel additives, or the environment; they just need to be familiar with Acme's RPV and have sufficient knowledge about the world to do the reasoning to further the pursuit of Acme's goals in line with Acme's principles. Should the commitment to environmental responsibility come into conflict with Acme's other commitments, again, the board members may well vote to abandon it despite their own

¹⁶ Different philosophers impose different requirements for the commitment to be ascribed to the corporate agent (or equivalent collective entity). For example, Gilbert (1989), (2000) requires the members to knowingly adopt or accede to the proposed commitment (though they need not share it); French (1984) requires that the proposed commitment be adopted via formally designated procedures, and List and Pettit (2011) seem to require explicit decision-making of the sort described in this section.

Our own view is pluralist: just as the formation of human beliefs, desires and intentions can follow different paths and be more or less rational, so can the formation of corporate rational equivalents. Human beliefs can be formed in response to evidence according to rational procedures as well as through wishful thinking or irrational association, and human intentions formed in response to rational deliberation as well as on associative whim or for reasons that would not be admitted or recognized as such by the agent. This is not to deny that beliefs and intentions have some connection to evidence and rational deliberation: a state of an agent would presumably not qualify as the agent's own belief (or intention) unless it is part of a system of states responsive to evidence (or deliberation). But individual states, however irrationally formed, can be beliefs as long as they are positioned to play the relevant role in guiding reasoning and action. Similarly, then, for corporate equivalents of beliefs and intentions: They might individually be shaped by sound processes of information gathering and deliberation, or result from miscommunication or from individual members abusing the system by pushing their own interests in violation of formal requirements. Alternatively, they might arise organically out of shifts in member behavior that are not even aimed at shaping larger corporate behavior or commitments, as outlined below in section 4. (See Hess 2014b for further discussion.) As long as they are in position to govern corporate action in the relevant way, they would still qualify.

The argumentative strategy outlined here commits us to the possibility of corporate equivalents of beliefs, desires and intentions formed in violation of rational or procedural norms. We nonetheless want to acknowledge that there are a variety of legal, social, moral and rational norms that facilitate the creation of rational corporate commitments, imposing sanctions on deviations in the form of criticism, ostracism, humiliation, financial penalties, or legal action on members found to diverge from the norms. For all we say here, they might also be partly constitutive of corporate commitments and actions, though not in ways requiring that individual corporate commitments be formed according to norms and ruling out irrationality and abuse.

personal commitments to environmental stewardship. This is one process by which Acme could abandon the belief that the environment is important without its members doing so. The members reason from Acme's commitments, not from their own, and Acme's actions thus express its own commitments rather than those of its members.¹⁷

In this manner the corporate entity can adopt a new commitment (to make steel additives) or abandon an old one (about the importance of the environment) in ways and for reasons that might have little to do with its members' beliefs and desires regarding those matters. This, then, is what we mean when we suggest that corporate agents can possess *their own* (rational equivalents of) beliefs and desires, distinct from the beliefs and desires of their members: they possess their own commitments about fact and value, which need have no direct connection to their members' commitments about those same facts and values. When member behavior is guided by these corporate commitments (in normal ways), the corporation acts.

Turning from rational to moral agency, it is clear how this story accommodates basic moral cognition and moral motivation. Just as Acme's RPV contains a commitment to be environmentally responsible, it might contain commitments to treat suppliers, customers, partners and employees with proper regard, or more generally to behave in a morally acceptable fashion. Acme will then rely on individual members, committees, or consultants to help determine whether its behaviors accord with these commitments, and act accordingly. In fairly straightforward ways, Acme is thus capable of reasonably sophisticated moral cognition and of action guided by such cognition. Depending on what a corporation's commitments are, its actions can thus express straightforward analogs to good or ill will.¹⁸

It is similarly clear how a corporate agent might act *freely* in ways required for it to be responsible, at least on typical compatibilist conditions. Its actions are responsive to a

¹⁷ Again, we are not denying that Acme's members act based on their own preferences: they presumably prefer working for Acme in accordance with Acme's commitments and goals over doing something else (being unemployed, say). But this does not entail that they prefer that Acme have the commitments it has or act in the way it does.

We might also add that even when board members personally prefer the proposal they vote for, the range of available proposals might not allow for expression of certain preferences. Proposals are often prepared by subordinates, and choices made during that process are invisible to higher-ranking members. Even a board of environmentally friendly members might thus come to vote for a proposal that is detrimental to the environment, unaware of the more environmentally friendly options that didn't make it through their subordinates. The "lower" processes that generate these proposals for board consideration will also be specific to—characteristic of—each individual corporate agent. Thus, given the same situation, different subordinate structures (cultural, procedural) will provide different sets of options to their respective boards. This kind of distributed decision-making is another process by which corporate agents come to adopt commitments that do not reflect member commitments.

So-called "discursive dilemmas" show that no straightforward aggregation of individual attitudes can guarantee a consistent set of collective attitudes (see e.g. Pettit and List 2011), and so show that a certain kind of reducibility of collective attitudes to individual attitudes is impossible. Our concern here, by contrast, is to highlight mechanisms by which corporate commitments often do come apart from, and are held in place independently of, individual beliefs and desires concerning the contents those same commitments.

¹⁸ Tollefsen (2008) worries that a corporation's tendencies to be moved by morally relevant considerations fall short of *caring* about them in ways required for fully fledged moral agency. We address this worry in the final section.

McKenna (2006) finds it highly doubtful that actual corporations are sensitive to a sufficient range of reasons to qualify as morally responsible agents. We think that this worry is at least strongly mitigated once it is recognized that a corporation can richly employ human cognition without losing its own cognitive autonomy.

variety of reasons, including morally relevant reasons, and issue in normal ways from its own well-integrated (rational equivalents of) beliefs, desires and intentions. These states, moreover, “have not been acquired by processes that totally bypass the subject’s normal capacities of deliberative or reflective control.”¹⁹ Throughout, Acme has had information about its own commitments and, as we have explained, the capacity to decide to act on certain commitments and change others. Because of this, Acme is very much unlike the agent who is confused, compulsive, or directly and involuntarily controlled by outside forces.

One might worry, though, that Acme is nevertheless controlled *by its members* in ways that undermine its responsibility. After all, there is no question that Acme’s members played a crucial role in the process by which Acme adopted its new desire and abandoned its old belief. Similarly, there is no question that the members themselves acted freely, choosing to conform their work behavior to the demands of Acme’s commitments. But we have already denied that these facts entail that Acme’s capacities of deliberative or reflective control are bypassed. It is true that Acme’s commitments and actions supervene on and are influenced by, among other things, the actions of its members.²⁰ However, the same can be said of an ordinary human agent: her commitments and actions also supervene on and are influenced by, among other things, sub-personal internal events. This doesn’t undermine her control or responsibility as long as the ways in which these events influence her commitments and actions are normally largely and reliably shaped by her commitments and rational processes. Just so, the fact that member actions influence Acme’s commitments and actions does not undermine Acme’s control or responsibility as long as the way in which they do so is largely and reliably shaped by Acme’s own commitments.²¹ If there is a valid remaining concern here about freedom and autonomy, it would be one that goes beyond typical compatibilist conditions on free will and moral responsibility, and might arise equally when we reflect on ways in which human deliberation and action is shaped by events on a sub-personal level. Since our question here is whether there is anything problematic with corporate responsibility in particular, we set this concern aside.

Before turning to the question of corporate reactive attitudes, we do want to address one final sort of natural worry about corporate agency. Even though corporate agents can display rational behavior driven by reliable underlying mechanisms (as described above), agency is often associated not only with rational behavior, but also with phenomenal experiences. But how could there be something “it is like” for a corporate agent to believe, desire or intend? How could there be a phenomenal point of view to accompany the rational point of view described above?²²

¹⁹ See Haji (2006: 296). We note that Haji denies that corporate agents can meet this standard; see Hess (2014b) for a response to Haji’s concerns.

²⁰ For the purposes of this article we are not taking a position on the precise metaphysical relationship between member actions and corporate actions. Possibilities include supervenience, emergence, coincidence, and constitution.

²¹ Notice that talk about member actions being shaped by Acme’s own commitments does not in any obvious way imply any problematic top-down causation. These commitments might be entirely constituted by dispositions of and relations between Acme’s members, and the shaping of one member’s behavior might simply be due to influences from other members in virtue of their relations and dispositions.

²² For discussion of the relationship between the phenomenal and rational points of view, and the sufficiency of a rational point of view as the “first person perspective” generally taken to be necessary for moral agency, see Rovane (1998: especially ch. 1); for concerns, see Baker (2000: especially ch. 3).

In addressing this worry, two things should be held in mind. The first is that corporate agents might instantiate various functional properties often associated with phenomenal consciousness. For example, one of the primary roles that consciousness is supposed to play is to facilitate the integration and coordination of information from multiple sources, including the senses. To the extent that this is crucial for sophisticated agency—which it certainly seems to be—we would point out that corporate agents are capable of non-phenomenal analogs. For example, various sorts of information about both internal and external affairs might be broadcast widely, made jointly accessible to various systems governing the corporate agent’s actions and priorities according to its prior commitments (cf. Baars’ 1988). After all, such information is frequently distributed to and from the board and senior management, and any large organization maintains a relatively steady flow of information among its members about the organization and matters relevant to it.²³

The second is that for our purposes, what matters is not whether corporate agents can have a phenomenal point of view, but whether they can have what it takes to be morally responsible.²⁴ Here, we can see how the sort of informational integration associated with consciousness might be necessary for the control and self-integration required for responsibility (cf. Levy 2013, 2014), but we fail to see why purely qualitative aspects of a phenomenal point of view would matter. If corporate agents can do all of the things we’ve suggested they can—a claim subject to empirical verification—then there is simply no necessary role left for the qualitative aspects to play. However meaningful or significant human agents find these experiences to be in their own practices, they are not necessary for moral agency. In what follows, then, we will assume that to the extent that a “phenomenal” point of view is required for responsibility, it is one that a corporate agent could in principle have. Our main concern is whether, if corporate agents have the agential capacities to act from their own commitments in the ways described here, they can also have the moral capacities associated with reactive attitudes.

3. Reactive attitudes: the problem

We have seen why it might be plausible to attribute rational agency to corporations: corporations can be in states rationally equivalent to beliefs, desires and intentions in human agents. We have also seen why one might plausibly think that corporations are capable of basic moral cognition and motivation, including good or ill will, and satisfy uncontroversial conditions for free will: they can act on the basis of their own “motivational springs”. The question now is whether we have similarly strong reasons to attribute capacities associated with *reactive attitudes*, to the extent that such capacities are required for moral responsibility.

In arguing that we have such reasons, our general strategy is to first characterize reactive attitudes in broadly functionalist terms, identifying both the sorts of cognitive

²³ For a more detailed exploration of this kind of approach, distinguishing between phenomenal and non-phenomenal (“psychological”) aspects of intentionality, see Chalmers (1996: especially ch. 1).

²⁴ Correspondingly, our concern is not whether corporate agents can have “real” beliefs, desires, intentions or reactive attitudes, but whether they can have the aspects of those states that are necessary for fully fledged moral agency. Thus, although the approach shares some of the strengths (and weaknesses) of functionalism discussed at length in the theory of mind literature, there are some things that we can set to the side that functionalist accounts of various psychological states need to account for. Relations between such states and purely qualitative aspects of consciousness might be an example. See section 3.

processes and behaviors that they characteristically give rise to and the sorts of cognitive processes that characteristically give rise to them, and then to identify aspects of these that might plausibly be seen as necessary for moral responsibility. Given that these aspects can be understood in functionalist terms, and given that corporations can instantiate rational equivalents of beliefs, desires, and intentions, we will suggest that it is at least conceptually possible for corporations to instantiate states relevantly similar to guilt, resentment, and indignation—“moral equivalents” to these latter states.²⁵ To make this plausible is the task of the present section. But the mere conceptual possibility of corporate moral equivalents to reactive attitudes is not enough to make sense of or justify actual practices of holding corporations morally responsible and treating them as fully fledged moral agents. In the next section, we will thus argue that we can expect actual corporations to be capable of instantiating such states.

We want to be clear that our task here is not to characterize the nature of the relevant reactive attitudes. Spelling out how reactive attitudes (and states associated with such attitudes) might be necessary for fully fledged moral agency both goes beyond and falls short of that task. On the one hand, some necessary features of guilt and resentment might be irrelevant for moral agency; on the other, some capacities necessary for moral agency might merely be commonly associated with these attitudes, rather than part of their essence. So, for example, it does not matter whether Antonio Damasio (1994: ch. 7) is correct in distinguishing emotions such as anger and fear, understood as certain bodily and cognitive reactions, from *feelings* of these emotions, understood as experiences of such reactions, or whether the emotions should be identified with those very experiences or not.²⁶ Similarly, it does not matter whether we get the connections between emotions like guilt, shame, fear, sorrow, anger and indignation just right (is guilt an internalized adaptation to anger, or a development of sorrow, or both?). What matters for our purposes is whether there are capacities, dispositions or behaviors that are (a) closely associated with reactive attitudes, (b) possibly necessary for fully fledged moral agency, and (c) unavailable to corporations.²⁷

For this purpose, we begin with a list of features that seem closely associated with indignation and guilt, respectively:

Indignation:

1. Belief that some agent is responsible and to blame for some bad action, omission or outcome because it is the upshot of the agent’s ill will or lack of proper regard

²⁵ As with “rational equivalents”, we introduce the expression “moral equivalents” to talk about states necessary for fully fledged moral agency while leaving open the possibility that “full blown” guilt or indignation may have components that go beyond those aspects.

²⁶ Both views can be seen as developments of William James’ (1884) influential suggestion that emotions are experiences of bodily states. For but a few examples of recent accounts developing James’ ideas in different directions, see Brogaard (2012); Tye (2008); and Prinz (2004). Part of what drives Damasio’s distinction is that the bodily and cognitive reactions associated with emotions can impact our actions before we are capable of detecting them, or before we become aware of them.

²⁷ Our strategy here is thus importantly different from one of the strategies considered by Tollefsen (2008: 11), namely to defend a cognitive theory of reactive attitudes or “affectivity”. For the way we develop our account, for example, it does not matter whether purely qualitative aspects are essential parts of reactive attitudes as long as these qualitative parts are irrelevant for moral agency and responsibility. It similarly differs from Bryce Huebner’s (2011) attempt to argue that some collectives actually instantiate emotion (in particular *fear*).

2. Attention directed at the (believed) responsibility and blameworthiness of the agent in question for the action, omission or outcome in question
3. Anger directed at the agent based on that responsibility, involving cognitive and physiological preparedness for aggressive action (e.g. awareness of possibilities of aggressive action, a certain insensitivity to danger)
4. Disposition to blame and hold the agent responsible based on that responsibility, i.e.:
 - a. to express the anger, to openly distance oneself from the agent, or to punish, i.e. to treat the agent in (what would otherwise be seen as) disrespectful ways while being open about why,
 - b. a disposition which tends to be mitigated when the agent expresses guilt and willingness to change, and escalated in the absence of such willingness
5. Anger and disposition to hold responsible that are
 - a. felt to be appropriate and justified by the agent's responsibility, and are
 - b. at least partly direct and nonstrategic, i.e. not primarily triggered by the instrumental belief that being aggressive would have a certain effect, but by the sense that the agent is responsible for the action, omission, or outcome in question.²⁸

Guilt:

1. Belief that one is responsible and to blame for some bad action, omission or outcome because it is the upshot of ill will or lack of proper regard
2. Attention directed at one's (believed) responsibility and blameworthiness for that action, omission or outcome
3. Sadness and regret directed at the object of responsibility, perhaps mixed with anger directed at oneself based on that responsibility, involving tendencies to focus on the bad and one's responsibility for it, and preparedness for submissive behavior
4. Disposition to blame oneself and hold oneself responsible, i.e.
 - a. to express anger, sadness, and regret,

²⁸ For the non-strategic element, see e.g. Strawson's (1982) dismissal of the "optimists", and Darwall (2006: 67–68): "The feeling of indignation invariably includes a sense of authoritative demand that may be absent from the feeling that something would be desirable or fitting. Consider what beliefs moderate or undermine indignation. If we come to believe that someone does not deserve blame, say, because he could not possibly have known the true character of what he was doing or because he was under extreme duress, then this will reduce or even defeat our indignation toward him. But if we learn that attempting to hold him accountable would be undesirable, say, because it will provoke him further, this will hardly undermine indignation."

- b. to accept being treated in (what would otherwise be seen as) disrespectful ways based on responsibility for the action, omission, or outcome in question, and
 - c. to take on costs of compensating victims, or to undertake forms of penance
5. Disposition to change one's ways so as to respect the values or norms that one is to blame for ignoring, and a disposition to express this willingness
 6. Anger, sadness, regret, and dispositions to blame and hold responsible that are
 - a. felt to be appropriate given one's responsibility, and
 - b. at least partly direct and nonstrategic.

Features could perhaps be added to each list, and features on the list refined and related to one another in further detail. However, as explained above, our goal here has not been to provide necessary or sufficient conditions for indignation or guilt, but to identify features related to them that can plausibly be seen as necessary for fully fledged moral agency. What matters for our argument is not whether corporate agents are strictly speaking capable of these emotions, but whether they are capable of moral equivalents of these emotions.

As these lists stand, we think that they capture central elements of the roles guilt and indignation play in directing practices of holding others and oneself responsible and responding to violations of moral norms. Moreover, they bring out features of guilt and indignation that have played a particularly important role in recent discussions, from Strawson and onwards. First, expressions of indignation are naturally understood as *responses to ill will* or lack of proper regard on part of its target. Second, they are naturally understood as *demands* that the agent respect certain values. Indignation is not only triggered by ill will, but disposes one to various forms of aggressive action (angry rebukes, distancing, non-cooperation, and in extreme cases violence) to the extent that the target has not changed its attitude towards the relevant values or displayed proper regard. Third, guilt and its expressions seem to be exactly what is demanded of the target in expressions of indignation. It non-strategically disposes the guilty party to change its quality of will and take on the costs of its lack of proper regard. This makes direct sense of the requirement that targets of indignation and corresponding practices of holding responsible be capable of guilt: only when the target undergoes guilt can the demands of indignation be met in normal ways.²⁹

The question now is whether the capacity to be in states having these features might be both necessary for fully fledged moral agency and beyond the reach of corporations. Here it is clear that corporations will be capable of many of the items listed, assuming (as we do in this article) that they are capable of free action on the basis of their own

²⁹ The striking fit between guilt and indignation suggests that they are mutually adapted to coordinate expectations around moral norms, with rough analogs among various other social species. This suggestion has been popular among metaethicists in the non-cognitivist tradition: see e.g. Gibbard (1990: ch. 7); Blackburn (1998: 14–21); Björnsson and McPherson (2014). To say that guilt and indignation are mutually adapted is not to say that they are innate: the adaptation can well be learned and cultural. For discussion, see e.g. Prinz (2004: chs. 4–6).

(rational equivalents of) beliefs, desires, and intentions in the manner outlined above. Surely, if corporations can act freely, they can compensate victims, take steps to avoid future transgressions, produce conventional expressions of regret, and undertake various forms of penitentiary sacrifice. But there are two interrelated roles of moral emotions that might be necessary preconditions for fully fledged moral agency, which go beyond merely displaying certain behaviors based on beliefs, desires and intentions. Moral emotions may be necessary sources of suitable moral *motivation*, and perform crucial *epistemic* roles in moral thinking. Both roles are stressed by Paul Russell in his development of a broadly Strawsonian account of responsibility (2004: 300):

Whereas the normal agent who is capable of moral sense will experience and understand reactive sentiments in a way that provides salience and significance to moral considerations, and also provides an internal and independent source of motivation (i.e., as distinct from “external” sanctions) for complying with these demands and expectations, the agent who lacks this general capacity will not be able to employ these resources to govern and guide her conduct. . . . By way of analogy, I have suggested, agents who are incapacitated in this way are like individuals who lack any capacity to feel fear in face of danger or harm.

Consider first the role of reactive sentiments in moral motivation. What Russell suggests is that they uniquely provide a characteristic kind of direct motivation and self-control, distinct from merely instrumental or strategic motivation to avoid sanctions and improve one’s standing in the public eye. An agent capable of guilt can accept the justification of indignation towards her not only theoretically, but also emotionally and motivationally. An agent without this capacity can perhaps grasp, theoretically, that she is responsible for something bad, but her insight will not have practical implications for her in the way it would for normal fully fledged moral agents (Russell 2004: 298). (Analogously, a moral judge incapable of indignation will arguably lack a practical understanding of moral demands.) One worry, then, is that unlike normal human agents, corporations are incapable of the non-instrumental and nonstrategic motivation and self-control characteristically provided by guilt. Corporations, one might think, will never be directly motivated by their own transgressions, only by worries about external sanctions. Suppose that such a calculating agent might behave, on occasion, as one in whom the emotional reaction of guilt plays the normal role, by expressing regret, doing penance, compensating the victim and taking steps to avoid repeating the moral transgression. Even so, this agent seems to lack an important part of the moral capacity of ordinary human agents. Perhaps it can have some degree of moral responsibility and be the suitable object of certain kinds of moral address, but in being incapable of being directly motivated by recognition of its transgressions it seems, at least at a first glance, to fall short of fully fledged moral agency.³⁰

³⁰ Wringe (2012: 441–442) considers the corresponding worry that a collective acting in ways characteristic of remorse would be insincere, but suggests that we should understand insincerity in terms of a mismatch between what the collective says and what it does. This leaves the problem that the collective might be acting for the wrong reasons, but Wringe downplays this worry, suggesting that a corporation’s reasons for acting are best determined based on its actions (cf. French 2008). Part of our task here is to take this worry more seriously, outlining ways in which corporations might have the relevant sort of direct motivation.

Consider next the related epistemic worry. Many philosophers have given moral emotions a crucial role in helping us focus on morally significant features of a situation, or in weighing the interests of those involved. In paradigmatic cases, judgments of moral wrongness and accompanying guilt and indignation are triggered by direct emotional and motivational reactions to identifying or empathizing with those affected or with other moral judges.³¹ Moreover, as Russell says, moral sentiments characteristically seem to provide “salience and significance to moral considerations”, keeping our practical reasoning focused on those considerations when other matters compete for attention. The natural worry here is that corporations will lack anything sufficiently resembling these epistemic capacities, relevantly informing and structuring their (equivalents of) moral thinking.³²

One might question whether guilt and indignation actually involve or make possible the motivational or epistemic capacities outlined here, but as we have stressed, this is not what matters: what matters is whether the capacities are necessary for fully fledged moral agency and whether corporations can have them. One might also debate the extent to which forms of moral agency are possible without such capacities. Nonetheless, the suggestions that these capacities are required for central forms of moral address have a strong initial plausibility, meriting a serious discussion of whether they might be found in actual corporate agents. This is the topic of the following section. First, however, we should briefly address one possible lingering worry. The worry is simply that attitudes like guilt and indignation are tied to a certain phenomenology and that corporate agents cannot be subjects of such a phenomenology.³³

We have already addressed a similar objection to the attribution of corporate beliefs, desires, intentions, and free action in the absence of a phenomenology, in the previous section. But the objection might seem stronger in the case of guilt and indignation, for three reasons. First, guilt and indignation are often understood as *feelings* and are perhaps more plausibly seen as essentially tied to a certain phenomenology than are beliefs, desires, intentions, and free action. Second, it might seem that crucial epistemic and motivational work is done exactly by the phenomenology of guilt and indignation: it is the *feeling* of guilt or indignation that crowds out strategic considerations and

³¹ For but three recent proponents, see Greenspan (1995); Haji (2010); and Kauppinen (2010). Various sentimentalist accounts of moral judgment, from those of David Hume and Adam Smith and onwards, have stressed the central role of moral emotions in the formation of moral judgments. For a recent proposal that emotions generally have as their function to focus attention so as to aid increased evaluative understanding, see Brady (2013).

³² For discussion of the role of emotions in directing moral perception and motivation, see Russell (2004) and Haji (2010), who both argue that psychopaths without the proper emotional reactions will lack the emotional capacities needed to develop and direct moral cognition. One might have corresponding worries about corporate agents (cf. McKenna 2006): as Bakan (2004) argues at length, many existing corporations arguably match the profile for a psychopath.

If judgments of moral wrongness (and corresponding judgments of permissibility) were intrinsically or necessarily tied to the activation of capacities associated with reactive attitudes, corporations without such capacities would be incapable of important kinds of moral judgments. This connection might be weaker than necessity (Björnsson and McPherson 2014), but, for the reasons given, one need not be an internalist about the connection between moral judgments and emotions to think that fully fledged moral agency requires emotionally infused moral judgments

³³ For an articulation of this worry, see Haney (2004). With significant cross-cultural variation, common sense displays some willingness to attribute not only intentional but also phenomenal states to corporations (Huebner, Bruno and Sarkissian 2010), but such attributions might normally be covert attributions of these states to certain people working for the corporation (Phelan et al. 2013).

keeps the agent focused on the relevant moral considerations. Third, the *unpleasant* nature of guilt might seem essential to its role in practices of holding responsible. Because of the partly retributive nature of indignation, expressions of indignation seem not to have been properly received unless the guilty party is *pained* by the recognition of responsibility: recognition of fault and willingness to change and to compensate victims are not enough.³⁴

Still, we think that the same response is appropriate here. What matters, fundamentally, is not whether corporate agents can be exactly like human agents, but whether they can have the properties required for fully fledged moral agency. In the previous section, we said that while responsible agency might require that information about the agent and its surroundings be made widely available to systems governing the agent's actions and priorities, purely qualitative aspects of an agent's conscious experience are irrelevant. We also suggested that corporate agents are capable of the relevant sort of information broadcasting. The same sort of argument applies here. Though fully fledged moral agency might well require epistemic and motivational capacities and dispositions associated with reactive attitudes and their phenomenal aspects, we see no reason to think that the purely qualitative aspects of the phenomenology of reactive attitudes matter, or that other things than feelings of guilt and indignation might not serve the requisite epistemic or motivational functions in corporate agents.

When it comes to the suggestion that guilt must be painful to match the retributive aspect of indignation, finally, we want to deny that it is absolutely necessary for fully fledged moral agency. An agent who has the relevant motivational and epistemic capacities is already an adequate object of indignation. But more can be said once we recognize that pain seems particularly relevant as a goal for retributive indignation because it is both disruptive and something that the agent has a *pro tanto* desire to avoid. Interestingly, an organization instantiating the moral equivalent of guilt as outlined above will be thrown into disruptive internal conflict, conflict of a sort that it is motivated to avoid. The reason is simply that the change in values that such an organization is motivated to achieve will come into conflict with commitments and habits previously adopted based in part on those values, a conflict that the organization is necessarily motivated to avoid to the extent that it is committed to changing the values. As far as we can see, this disruptive and unwanted state of an organization can satisfy the retributive elements of indignation as well as pain can.³⁵

In the following section we will describe some of the processes by which corporate agents can develop and exercise their capacities for moral equivalents to guilt and indignation, all in the absence of a phenomenal point of view. With that, the burden shifts to

³⁴ We thank two anonymous referees for sharpening these objections.

³⁵ Addressing the related worry that emotions presuppose subjects of experience, Bill Wringe (2012: 441) points out that groups of people can be jointly committed to behave in ways characteristic of attitudes such as remorse or regret: collectives can “find ways of proceeding that prevent similar wrongs from happening in the future, and they can act in ways that compensate those who have been harmed”, and “express regret for wrongdoing on behalf of the collective” (cf. Tollefsen 2003). While we think that this points in the right direction, it is inadequate for our purposes. First, as we explained in the previous section, the individuals working for the corporate agent need not be jointly committed to the beliefs, desires, or intentions of that agent. For this reason, corporations are not collectives of the sort primarily discussed by e.g. Gilbert (1989) and Miller (2001). Second, as we have said in this section, there is more to the moral emotions than a characteristic behavioral output. The structures driving the behavior, and the contributions to epistemic capacities also matter.

the skeptic to explain what necessary role remains for any purely qualitative aspects to play.

4. Corporate guilt, corporate indignation

Having identified roles that guilt and indignation might plausibly play in enabling fully fledged moral agency, what remains is to demonstrate that corporate agents are capable of reactions playing these roles, i.e. capable of what, for our purposes, are reactions of guilt and indignation. As we have stressed, it is not sufficient to demonstrate that the *members* of corporate agents can be guilty or indignant; to make good on our claim that the corporate agent is a moral agent, such capacities must be attributable to the corporate agent *itself*. Building on the earlier scenarios, however, we can easily see how this might be the case.

Imagine that Acme has fully implemented the new process and is producing steel additives to great profit. Then one day Acme's competitor, B-Corp, publishes a scathing denunciation of Acme, claiming that its new production line has caused significant pollution in the river adjacent to Acme's plant. B-Corp's claims are detailed and plausible and there is a great public outcry. Acme launches an immediate (if cursory) investigation of its own activities, and this preliminary investigation suggests that the accusation may have merit. The new line *does* use the polluting chemicals, the design for the line does *not* incorporate certain safety measures that would have prevented contamination of the river, and chemical use records suggest that the line has been consuming more solvents than it should. Acme's board meets to review the official findings and votes unanimously to adopt the position that Acme is responsible for the pollution. Thus *Acme* has, based on the evidence it gathered, taken the position that it is responsible for something bad. It thus has (the rational equivalent of) the belief that it is responsible—the first requirement for guilt. The board members' individual reasons and justifications for their votes—whatever they are—are irrelevant to the question of Acme's position, and it is Acme's position that will drive Acme's action (*i.e.* the behavior of its members in their roles as members).³⁶

Based on the position that it is responsible for the harm, Acme springs into action. Using existing resources and capacities and relying on information provided by its members, including information about what sorts of reactions are appropriate when one is responsible for harm, Acme reprimands the managers responsible for designing and implementing the new line, and hires a consultant to identify and address the factors that contributed to the pollution. Acme becomes excessively cooperative—even obsequious—in connection with other environmental issues, and makes several highly publicized donations to environmental causes associated with the river. Finally, Acme begins the long, expensive process of evaluating the pollution, preparatory to remediating it. Thus, we see an internal focus on failures and internally directed anger (an official reprimand, not a personal attack), a disposition toward submissive behavior, a move toward compensatory action and penance, and a disposition to change the offending behavior and underlying

³⁶ As noted above (n. 21), to say that Acme's position drives the behavior of its members is not to say that Acme's position is constituted by anything over and above the dispositions and relations of its members, or that the influence goes beyond the influence of members on members due to these disposition and relations.

lack of concern for accidental environmental impacts. In short, at the corporate level, Acme reacts with guilt.

Four things about this flurry of activity: First, all of this can happen without any individual member of Acme believing that she personally did anything wrong, or that Acme itself did anything wrong. Among other possible scenarios, individual members—many of them—may simply think that this is all an error: that Acme did not do what it is has been accused of, or that the actions did not cause the alleged harm, or that the harm does not rise to the level of wrong-doing, or that they themselves (individually) did not contribute to it. Lacking that initial belief in Acme's and their own wrong-doing, members will feel neither personal guilt nor guilt on Acme's behalf, but of course remain fully capable of implementing practices and policies consistent with *Acme's* belief in its own guilt. There is no principled difference between acting on this commitment and acting on Acme's earlier belief that the new product line would be profitable.

Second, however, it is equally possible that many employees will nonetheless unthinkingly alter their work behaviors to be more environmentally responsible. Without necessarily *intending* to alter Acme's behavior (or their own), various members (sensitized by the outcry) simply become more careful. This need not be goal-oriented behavior, or even a conscious choice on anyone's part; they are simply more aware of potential impacts, more patient with eco-alternatives, more reactive to environmental risks. Importantly, other members tolerate or even encourage these tiny shifts as they occur. In this scenario, Acme's newly cooperative attitude regarding environmental issues arises naturally, even organically, out of the inner workings of Acme's existing processes and procedures in reaction to events in the world, without any intentions to make Acme more environmentally responsible. The longer these behaviors are tolerated or rewarded the more deeply entrenched they will become, until environmentally responsible behavior becomes something of a norm at Acme—a lasting behavioral change resulting from Acme's guilt over the destruction of the river.³⁷ Acme has learned its lesson.

Third, and independently of the second point, Acme's reactions might be as direct and non-strategic as ordinary human reactions to guilt. For instance Acme might issue apologies and compensate victims because Acme's position is that this is what one does when one is responsible for harm, even when it incurs some costs. Even if Acme's general commitment to take responsibility for its actions was once implemented partly with an eye to the preservation of Acme's image, and even if concerns of image and profit still play a role in shaping the way apologies are communicated and victims compensated, its present commitment and basic impetus for taking responsibility will thus be independent of strategic concerns. Something analogous is true about human beings: even if strategic reasons are part of the fundamental evolutionary or developmental explanation for our commitments to taking responsibility, and even if concerns with image and the like play some role in shaping how we act on such commitments, what is primarily driving an

³⁷ We cannot here detail the mechanisms by which social conventions and norms emerge and are preserved. For an influential attempt at a general theoretic account, see Bicchieri (2006).

Reactions of (moral equivalents to) guilt in a corporate agent might be more or less deeply integrated into the workings of the corporation and thus more or less robust. As Russell (pc) has pointed out to us, under normal circumstances it is also natural to expect the guilt or indignation of a corporate agent whose reactions are underpinned by corresponding dispositions among its members to be in this sense deeper. Though we agree with this, we think that the reactions and capacities of a corporate agent can be sufficiently robust for fully fledged moral agency in the absence of such correspondence.

apology or an effort to compensate a victim can still be the mere recognition that we are responsible for the harm. In both cases, it is the recognition of responsibility that directly triggers action on commitments to compensate victims, to adjust behavior and values to prevent repeated wrongdoing, and to issue apologies, not the antecedent recognition that it would be strategically wise. If these actions are governed by feelings of guilt in the human case, they might be governed by any of the mechanisms ensuring that Acme's other commitments are enacted: explicit policies, assigned tasks, training, and corporate culture.

Finally, throughout these activities, Acme can keep its members focused on morally relevant factors, appropriate action, and inner reform by relying on the same mechanisms that it typically uses to keep its members focused on profit and production: through promotions, penalties, and policies. Acme can hire (or give more authority to) people with an especially good practical understanding of responsibility and guilt, people who are skilled at identifying situations likely to violate the moral standards Acme has adopted. These members could identify the potential for violations in the same way that other experts can identify the potential for profit or expansion, contributing that information for inclusion in Acme's general decision-making processes, and thus ensuring that Acme's actions are guided by Acme's moral beliefs. Alternatively, Acme can simply codify its commitments in policies, or rely on its culture to shape its actions in the desired manner. By implementing such policies, procedures, and practices, Acme affirms and fortifies its guilt-related capacities.³⁸

In these ways, then, we think that a corporate agent like Acme has core moral capacities of the sort associated with guilt. Analogous things can be said about indignation. Assume that Acme's consultants complete their very thorough investigation and determine that Acme is not, after all, responsible for the pollution. According to this investigation, B-Corp's nearby facility is the source, and evidence suggests that B-Corp accused Acme in an effort to avoid responsibility. In response to this, Acme might now take the position that it is innocent and that B-Corp has intentionally tried to pin the blame on Acme, and act in ways it deems appropriate in light of this. Through its various departments Acme recants its prior apologies and abandons its submissive posture. Moreover, it publishes the results of its investigation, blaming B-Corp for both the pollution and the false accusation, while other departments consider various forms of retaliatory action, with proposals escalating as B-Corp tries to deny its responsibility. Exactly as in the case of guilt, these reactions might be largely non-strategic, and largely independent of whether members of Acme really think that Acme is innocent, or that B-Corp acted in bad faith.

If what we have said in this section is correct, then, corporate agents like Acme can react appropriately and non-strategically to situations in which they take themselves to be either wrong or wronged, and do so from states morally equivalent to guilt and indignation, independently of corresponding guilt or indignation on the part of their members.³⁹

³⁸ See Goodpaster (2007: especially chs. 6 and 7 "Institutionalizing Corporate Conscience" and "Sustaining Corporate Conscience") for a more detailed discussion of the most effective mechanisms for establishing these and other corporate moral capacities, together with actual cases.

³⁹ Though Acme's (moral equivalents of) reactive attitudes are logically and conceptually distinct from the corresponding attitudes of its members, what we said about corporate beliefs and desires (n. 18) applies here too: Acme's attitudes can be *Acme's own* in the relevant sense even if members too feel corresponding guilt or indignation. What makes these attitudes Acme's own is that they play a certain role in governing Acme's reactions, and that this role is shaped by interactions with Acme's other commitments.

Before moving on to our conclusion, we would like to address one final concern. The suggestion that reactive attitudes are necessary for moral agency is part of a larger picture of what is involved in the full exercise of moral agency—one that involves being a member of the moral community. It is beyond the scope of this article to discuss that larger requirement in any detail, but we do want to acknowledge it and address an associated worry. Above all else, being a member of the moral community requires the possibility of holding and being held responsible, and it may seem that corporate agents are not capable of this kind of interaction. Blame is of course often explicitly pinned on corporations and other organizations, and it is clear that people can be indignant about various actions from such entities and express such indignation in emails, petitions, and boycotts explicitly directed at these entities, and also clear that corporations respond to such actions in ways that mirror responses by human agents, as in the case of Acme. But one might worry that the real target of such blame, in spite of where it is *said* to be directed, is nevertheless in fact some person or group of persons in the corporation. In particular, one might think that the responsibility must lie with the CEO or the board, as these constitute the corporation's central locus of control.⁴⁰

This, we think, is a natural worry, but not ultimately one that should undermine the argument given in this section. We distinguish two sources of the concern. First, one might feel that moral address directed at a corporation (as opposed to at some of its subdivisions, say) has only been fully and satisfyingly received when it has been registered with upper management and resulted in changes in attitude and policy emanating from there. One might thus conclude that this is where the real responsibility lies, not with the corporation. But this conclusion is not warranted. Compare: Moral address directed at a human moral agent will have been satisfyingly received only when it has registered in those of her cognitive systems that are responsible for agent level evaluation and execution, and when this has led to a change in attitude. We would not conclude from this that the responsibility lies with those cognitive systems rather than with the human agent as a whole. Just so, we should not conclude that the responsibility lies with management rather than with the corporate agent as a whole. Second, one might also feel that if the CEO or members of the board are responsible for some morally problematic action by the corporation, then the corporation itself cannot also be responsible, and thus cannot be properly targeted by reactive attitudes. But if A hires B to do something, or if A and B act together, they are often *both* held responsible for what is done. Assuming that corporate agents can otherwise satisfy requirements of fully fledged moral agency, it is thus unclear why responsibility cannot lie both with Acme *and* with particular members of its upper management in some cases, as each might have acted on their own morally objectionable commitments.

5. Concluding remarks

We have argued that if a corporation like Acme can be a free rational agent in its own right, then it can also have capacities and dispositions that are associated with guilt and indignation and relevant for full moral responsibility and fully fledged moral agency. The key to this conclusion was our suggestion that what reactive attitudes contribute to fully fledged moral agency is not some purely qualitative experiences, but rather certain moti-

⁴⁰ We thank an anonymous referee for raising this worry.

vational and epistemic capacities. Such capacities, we have argued, can be implemented by corporations.

In this paper, we have merely sketched an argument for the existence of rational corporate agents. Our main claim here can thus be said to be conditional: *If* an argument of that sort can show that there is rational corporate agency, *then* such an argument can also show that corporate agents can have moral equivalents of reactive attitudes. Readers who find the consequent of this conditional implausible might take our claim to support the rejection of the antecedent—the rejection of basic corporate agency. But if one accepts the antecedent and still wants to reject the consequent, our argument provides a challenge: explain why the sort of arguments that support basic corporate agency do not extend to reactive attitudes, in spite of what we have said here.

Suppose, however, that our argumentative strategy is successful. It then promises to generalize to other emotional capacities that scholars have thought necessary for moral agency and beyond the ken of corporate agents. For example, Tollefsen (2008) suggests that moral agency might require the capacity to *care* for others or about the moral quality of one's actions, but worries that companies lack this capacity.⁴¹ Though it seems reasonable that a (fully fledged) moral agent must in some sense be capable of such caring, we again want to distinguish functional from purely qualitative aspects. What is plausibly required is that a fully fledged moral agent be capable of (a) recognizing morally relevant features of a situation, including the presence of relevant objects of care, such as the quality of one's own actions, other agents, sentient beings, or the environment, (b) being non-strategically responsive to these features, and (c) being disposed to engage in self-examination and adjustment of priorities when recognizing that she has not responded adequately to these features. We take it that the possibility of these aspects of caring has been covered in sections 2 and 4. Moreover, assuming that these capacities are in place, we again do not see why any purely qualitative feel of such caring would add anything required for fully fledged accountability.

We have offered the story of Acme as a realistic example, and we believe that relevantly similar stories might be told about a great many actual corporations. If that is right, it removes one of the main reasons to think that everyday reactive attitudes towards corporations (as distinct from reactions towards particular employees) are deeply mistaken. Corporations can respond with (moral equivalents of) guilt or remorse to recognition of fault, often in response to expressions of indignation and anger on the part of citizens and consumers. Of course, it is clear that not all corporate agents have the relevant mechanisms in place, or have them in place to the same degree. But even more than human agents with diminished capacities for moral emotions, corporate agents can often *adopt* such mechanisms, setting up structures and hiring people to do ethical oversight and implement moral reaction patterns at the corporate level. Even when the mechanisms are missing or deficient, then, expressions of indignation—communicating disapproval, withholding cooperation, inflicting public relation costs—might make strategic sense, as social pressure can prompt corporate agents to create and fine-tune mechanisms of the sort we have described here, helping create fully fledged moral agents.

⁴¹ Tollefsen (2008) tries to answer this worry by pointing out that employees can vicariously feel emotions for what the corporation has done, but acknowledges that this is not quite the same as the corporation having the emotions.

Finally, we would be remiss if we failed to acknowledge some of the larger implications of our claims. First, if one accepts the claim that some corporations are fully fledged moral agents, one might naturally want to conclude that they have moral obligations: obligations not to harm, lie, or unfairly discriminate, say. This flies in the face of the idea that corporations have no moral obligations, that it is antithetical to their nature, and that, as Milton Friedman so succinctly put it, “the social responsibility of business is to increase its profits.”⁴² Further work is required to determine what, precisely, the content of those obligations might be.

Second, and relatedly, the question remains whether the public should exert social pressure to support the moral capacities of corporate agents, and whether legal frameworks for corporations should leave more room for priorities other than shareholder profit. The recent surge of interest in “benefit corporations” and other more flexible corporate forms is evidence of both the possibility and popularity of such options. Similar questions arise about legal frameworks for other types of organizations.

Third, in arguing that corporations are moral agents we have indirectly raised the possibility that they also qualify as moral patients—that they are morally considerable, and that their interests should weigh in a moral calculus. Some might even suggest that we are committed to that position, because the classes of moral agents and moral patients are coextensive.⁴³ While we deny that our argument commits us to that position, we cannot defend this claim convincingly without extensive discussion. But it is worth noting that the same concern arises with respect to increasingly sophisticated artificial intelligences. We can already create machines that take in information, make decisions, act on those decisions, and—most of all—learn. At what point do they become moral agents as well? And does that make them moral patients, or otherwise morally considerable?⁴⁴

Fourth and perhaps most importantly, our claims have, or may appear to have, significant legal and political implications. The recognition that corporate agents can have intentions and other “mental” states, and the distinction between the intentions of corporate agents and the intentions of their members, may have important implications for the application of criminal law in corporate contexts. More, the ascription of the capacities necessary for moral agency might suggest that corporations qualify as persons, and are thus entitled to significant rights. This question gained wide public attention when the US Supreme Court ruled (in *Citizens United*) that corporations are legally entitled to certain free speech rights beyond what had previously been recognized.⁴⁵ Most of all, our arguments might be taken to entail that corporate agents are *citizens*, and should be recognized as such. While we express no opinion on the ultimate resolution of these and related

⁴² See his 1970 article by that title (cf. Friedman 2002: ch. 8). It is worth noting that Friedman himself did not deny that business activity is subject to moral standards. His primary concern is with the responsibilities of corporate executives, but he acknowledges that, qua “artificial persons”, corporations might have “artificial responsibilities”, and insists that the pursuit of profit should stay “within the rules of the game, which is to say, engages in open and free competition without deception or fraud” (1970).

⁴³ See Hess (2013) for a rejection of this implication; see Wringer (2014) for an argument that they fall under the Kantian prohibition of treating others as a mere means.

⁴⁴ See e.g. Allen, Varner and Zinser (2000); Floridi and Sanders (2004).

⁴⁵ Discussions of corporate rights and personhood that address *Citizens United* often include the US Supreme Court’s more recent ruling in *Hobby Lobby* as a similar case. One of us would interpret *Hobby Lobby* as going in the same direction as *Citizens*, but the cases and their holdings are importantly different; addressing the matter in any detail would take us too far afield.

issues, we hope that the work we have done here will be of assistance in addressing them.⁴⁶

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